UNITED
NATIONS

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Security Council

Distr.
GENERAL

S/1996/1015
9 December 1996

ORIGINAL: ENGLISH

REPORT OF THE SECRETARY-GENERAL ON THE IMPLEMENTATION OF SECURITY COUNCIL RESOLUTION 986 (1995)

1. The present report is submitted to the Security Council pursuant to paragraph 13 of Security Council resolution 986 (1995), in which the Council requested me to report to it when I had completed the actions necessary to ensure the effective implementation of resolution 986 (1995). In my interim report of 25 November 1996 (S/1996/978), I informed the Council of the actions that had been taken to that date.

2. Subsequent to that report, on 27 November, the Security Council Committee established by resolution 661 (1990) concerning the situation between Iraq and Kuwait approved the pricing mechanisms for loadings of crude oil in December 1996 that had been submitted by the State Oil Marketing Organization of Iraq.

3. From 27 November to 4 December, an advance team of technical experts from Lloyd's Register inspected the designated entry points in Iraq and assessed the logistical requirements in anticipation of the deployment of the independent inspection agents who will be confirming the arrival in Iraq of the goods purchased from the escrow account. The team received the full cooperation of Iraqi officials, who offered office accommodation and other facilities to enable the inspection agents to perform their functions.

4. From 4 to 8 December, technical experts from Saybolt Nederland BV inspected the pipeline metering station near Zakho and performed the necessary pressure testing of the metering equipment. Based on their technical findings, the experts were able to certify the reliability of the metering equipment.

5. In view of the above, I authorized the dispatch of the 14 independent inspection agents from Saybolt to their designated duty stations at the Mina al-Bakr oil terminal, the pipeline metering station near Zakho and at the Ceyhan oil terminal. They have since been deployed to their duty stations. I have also authorized an initial number of 13 independent inspection agents from Lloyd's Register to proceed to Iraq in order to take up their designated functions. It is my intention to request the remaining 19 inspection agents to proceed to Iraq as soon as it becomes operationally necessary. The four oil overseers have also been requested to return to New York to resume their functions.

6. On 7 December, an advance team was sent to Iraq by the Department of Humanitarian Affairs of the Secretariat in order to put in place the final arrangements for the implementation of the humanitarian activities of the United Nations Inter-Agency Humanitarian Programme, and the observation and reporting mechanism. The selection of core personnel required for the initial phase of the programme has been completed and action is being taken to deploy observers and programme staff on an urgent basis.

7. As noted in my interim report, an account has been opened at the New York branch of the Banque nationale de Paris. That account is now ready to receive deposits.

8. In accordance with paragraph 13 of Security Council resolution 986 (1995) and in view of the arrangements that have been made to date, I am satisfied that all the actions necessary to ensure the effective implementation of resolution 986 (1995) have been concluded. Therefore, the Secretariat stands ready to carry out its responsibilities as of 0001 Eastern Standard Time on the day after the President of the Security Council has informed the members of the Council that he has received the present report, in accordance with the decision of the Council in paragraph 3 of resolution 986 (1995).